
OLR Bill Analysis

HB 6466

AN ACT CLARIFYING COLLATERAL REQUIREMENTS FOR APPLICANTS FOR FINANCIAL ASSISTANCE FROM THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT AND CONNECTICUT INNOVATIONS, INCORPORATED.

SUMMARY:

By law, most businesses that apply for financial assistance from the Department of Economic and Community Development and Connecticut Innovations, Inc. must provide the agencies with collateral, such as a letter of credit, a lien on real property, or a security interest in equipment, inventory, or other property.

Current law exempts from the collateral requirement applicants for state assistance in the form of grants and loans for terms of less than one year. This bill broadens the exemption to include applicants seeking a grant of any duration. It retains the one-year limit on loans.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 13 Nay 4 (03/07/2013)